

103<sup>D</sup> CONGRESS  
1ST SESSION

# S. 662

To amend title 38, United States Code, and title XIX of the Social Security Act to make technical corrections relating to the Veterans Health Care Act of 1992.

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## IN THE SENATE OF THE UNITED STATES

MARCH 25 (legislative day, MARCH 3), 1993

Mr. ROCKEFELLER introduced the following bill; which was read twice, considered, read the third time, and passed

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## A BILL

To amend title 38, United States Code, and title XIX of the Social Security Act to make technical corrections relating to the Veterans Health Care Act of 1992.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. TECHNICAL CORRECTIONS OF PROVISIONS RE-**  
4                       **LATING TO THE PRICE OF DRUGS PUR-**  
5                       **CHASED BY THE DEPARTMENT OF VETERANS**  
6                       **AFFAIRS AND OTHER FEDERAL AGENCIES.**

7       (a) IN GENERAL.—Section 8126 of title 38, United  
8       States Code, as amended by section 603 of the Veterans  
9       Health Care Act of 1992, is amended—

1 (1) in subsection (a)(2), by striking “preceding  
2 such date”;

3 (2) in subsection (c)—

4 (A) in the matter preceding paragraph (1),  
5 by striking “for calendar quarters”, and

6 (B) in paragraph (1)—

7 (i) by striking “preceding the month  
8 during which the contract goes into ef-  
9 fect”; and

10 (ii) by striking “increased by” and in-  
11 sserting “multiplied by”;

12 (3) by amending subsection (d)(1) to read as  
13 follows:

14 “(1) during any one-year period that follows the  
15 first year for which the contract is in effect, the con-  
16 tract price charged for the drug may not exceed the  
17 contract price charged during the preceding one-year  
18 period, increased by the percentage increase in the  
19 Consumer Price Index for all urban consumers (U.S.  
20 city average) during the 12-month period ending  
21 with the last month of such preceding one-year pe-  
22 riod for which Consumer Price Index data is avail-  
23 able; and”; and

24 (4) by adding at the end the following new sub-  
25 section:

1       “(i)(1) If the Secretary modifies a multi-year contract  
2 described in subsection (d) to include a covered drug of  
3 the manufacturer that was not available for inclusion  
4 under the contract at the time the contract went into ef-  
5 fect, the price of the drug shall be determined as follows:

6           “(A) For the portion of the first contract year  
7 during which the drug is so included, the price of  
8 the drug shall be determined in accordance with sub-  
9 section (a)(2), except that the reference in such sub-  
10 section to ‘the one-year period beginning on the date  
11 the agreement takes effect’ shall be considered a ref-  
12 erence to such portion of the first contract year.

13          “(B) For any subsequent contract year, the  
14 price of the drug shall be determined in accordance  
15 with subsection (d), except that each reference in  
16 such subsection to ‘the first year for which the con-  
17 tract is in effect’ shall be considered a reference to  
18 the portion of the first contract year during which  
19 the drug is included under the contract.

20       “(2) In this subsection, the term ‘contract year’  
21 means any one-year period for which a multi-year contract  
22 described in subsection (d) is in effect.”.

23       (b) EFFECTIVE DATE.—The amendments made by  
24 subsection (a) shall take effect as if included in the enact-

1 ment of section 603 of the Veterans Health Care Act of  
2 1992.

3 **SEC. 2. TECHNICAL CORRECTION OF BUDGET NEUTRALITY**

4 **ADJUSTMENT FOR MEDICAID PRESCRIPTION**

5 **DRUG REBATES.**

6 (a) IN GENERAL.—Section 1927(c)(1)(B)(ii)(II) of  
7 the Social Security Act (42 U.S.C. 1396r–  
8 8(c)(1)(B)(ii)(II)), as amended by section 601(c) of the  
9 Veterans Health Care Act of 1992, is amended by striking  
10 “drug;” and inserting the following: “drug, except that for  
11 the calendar quarter beginning after September 30, 1992,  
12 and before January 1, 1993, the amount of the rebate may  
13 not exceed 50 percent of such average manufacturer  
14 price;”.

15 (b) EFFECTIVE DATE.—The amendment made by  
16 subsection (a) shall take effect as if included in the enact-  
17 ment of section 601(c) of the Veterans Health Care Act  
18 of 1992.

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